

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

Case No.: 1:23-cv-20727-RKA

**RYAN BRESLOW, et al.,**

Plaintiffs,

v.

**MARK PHILLIPS, et al.,**

Defendants.

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**DECLARATION OF DR. BORIS RICHARD**

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I, Boris Richard, make the following declaration based on my personal knowledge.

1. I am the Global Head of Crypto Advisory and Digital Asset Economic Disputes at JS Held, a global consulting firm, and have been retained by Defendants in this Action. I am over the age of 18, am competent to testify in this matter. I have personal knowledge of the matters stated herein.

2. I have nearly 25 years of experience in institutional fixed income and derivatives markets, as well as consulting and expert work in complex litigations, arbitrations, and investigations. My work focuses on cryptocurrencies, blockchain economics and token valuation, token offerings, as well as cryptocurrency related expert work, virtual asset tracing investigations, and responses to regulatory inquiries and enforcement actions. My clients include major law firms, cryptocurrency exchanges, digital asset issuers, custodians, Decentralized Finance platforms, blockchain foundations, and institutional investors.

3. My curriculum vitae, which details my significant experience in cryptocurrency

and blockchain litigations, investigations, arbitrations, and advisory projects, is attached hereto as Exhibit 1.

4. On March 10, 2023, the California Department of Financial Protection and Innovation took possession of Silicon Valley Bank, and appointed the Federal Deposit Insurance Corporation (“FDIC”) as receiver of bank. Attached hereto as Exhibit 2 is a true and correct copy of the State’s announcement concerning the same at: <https://dfpi.ca.gov/2023/03/10/california-financial-regulator-takes-possession-of-silicon-valley-bank/>.

5. As a result of the action, there was uncertainty as to whether depositors at Silicon Valley Bank would be able to recover deposits in excess of \$250,000—the standard amount of FDIC deposit insurance. Attached hereto as Exhibit 3 is a true and correct copy of the FDIC announcement available at: <https://www.fdic.gov/news/press-releases/2023/pr23016.html>.

6. On March 10, 2023, Circle announced that approximately \$3.3 billion of the \$40 billion in reserves it maintains for the USDC stablecoin was deposited at Silicon Valley Bank, and inaccessible.<sup>1</sup>

7. Pursuant to CoinMarketCap.com, USDC is the second-largest stablecoin by market capitalization with a \$37.5 billion circulating supply, and over \$7 billion in daily traded volume as of the time of this declaration.

8. Circle states the stablecoin is pegged to the U.S. dollar on a 1:1 basis and is backed through reserves consisting of a mix of cash and short-term U.S. Treasury bonds, and is intended to always be redeemable for U.S. dollars on a 1:1 basis.<sup>2</sup> However, as a result of Circle being

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<sup>1</sup> <https://twitter.com/circle/status/1634391505988206592>

<sup>2</sup> <https://www.circle.com/en/usdc>

unable to access its Silicon Valley Bank funds, it briefly depegged from the U.S. Dollar on March 10, 2023.<sup>3</sup>

9. On Saturday, March 11, 2023, Circle said in a blog post that USDC liquidity operations will resume as normal when banks open on Monday morning in the United States. According to the blog post, “As a regulated payment token, USDC will remain redeemable 1 for 1 with the U.S. Dollar.”<sup>4</sup> The cryptocurrency firm said that in the event the Silicon Valley Bank does not return 100% of deposits, Circle would cover any shortfall using corporate resources, involving external capital if necessary.<sup>5</sup>

10. Furthermore, on March 12, 2023 Circle announced that an automated USDC minting and redemption would become available through Cross River Bank, effective March 13, 2023, and also said that its expanded relationships include USDC redemptions via BNY Mellon.<sup>6</sup> Previously, Circle took action to reduce the bank counterparty risk with respect to 23% of stablecoin reserves held as cash and deposited \$5.4 billion with BNY Mellon.<sup>7</sup>

11. As the result of swift stabilization and risk reduction measures by Circle, the USDC de-peg which started on March 10, 2023 at approximately 4 pm UTC, effectively ended on March 13, 2023 at approximately 9 am UTC, when USDC returned to the price of \$0.9987.<sup>8</sup>

12. USDC briefly depegging also impacted DAI. DAI is a decentralized collateral-backed stablecoin maintained by MakerDAO. DAI has a \$5.9 billion market capitalization, with \$456 million in daily traded volume as of the time of this declaration.<sup>9</sup>

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<sup>3</sup> <https://coinmarketcap.com/currencies/usd-coin/>

<sup>4</sup> <https://www.circle.com/blog/an-update-on-usdc-and-silicon-valley-bank>

<sup>5</sup> *Id.*

<sup>6</sup> <https://twitter.com/jerallaire/status/1635114973830725633?cxt=HHwWgoDS4fmZjLEtAAAA>,  
<https://twitter.com/jerallaire/status/1634650023056089091>

<sup>7</sup> <https://twitter.com/jerallaire/status/1634650306234515460?cxt=HHwWiC8sd7yuK8tAAAA>

<sup>8</sup> Source: Cryptocompare.com USDC data.

<sup>9</sup> <https://coinmarketcap.com/currencies/multi-collateral-dai/>

13. DAI is softly pegged to the U.S. Dollar in that one DAI is intended to equal one U.S. Dollar.<sup>10</sup> As a decentralized algorithmic stablecoin, DAI is collateralized by several other cryptocurrencies which, aside from USDC, include other tokens such as ETH, wrapped BTC, wrapped staked ETH, so-called liquidity provider tokens from Uniswap and Curve Finance trading protocols, reserve-backed stablecoins, such as USDP and GUSD, as well as, increasingly, so-called Real-World Assets (RWAs). The multitude of collateral sources backing DAI reduces idiosyncratic risk exposure to specific crypto assets and increases the stability of the DAI soft peg.

14. Maker's protocol has several built-in stability mechanisms to maintain DAI's soft U.S. dollar peg. The most important mechanisms include: (1) over-collateralization, (2) automatic liquidations of undercollateralized collateralized debt positions (CDPs), and (3) arbitrage mechanism which adjusts DAI supply via financial incentive to burn DAI/mint DAI when its price deviates below/above the 1:1 U.S. dollar peg. The minimum overcollateralization ratios (Liquidation Ratios) are set individually for each collateral type and may reach as high as 185%.<sup>11</sup> Conservatively high overcollateralization ratios effectively serve to reduce the risk of insufficient collateral to back DAI in times of falling collateral values.<sup>12</sup>

15. To ensure that there is always enough collateral in the Maker Protocol to cover the value of all outstanding debt measured as the amount of DAI outstanding valued at 1:1 U.S. dollar parity, any CDP with collateral-to-debt ratio falling below the Liquidation Ratio, and thus deemed too risky, is liquidated through automated Maker Protocol auctions. Such automatic liquidation

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<sup>10</sup> <https://makerdao.com/en/>

<sup>11</sup> See <https://oasis.app/asset/eth#borrow>. For example, the 185% ratio for ETH means that for each \$185 worth of ETH collateral, you cannot borrow more than \$100 worth of DAI stablecoin.

<sup>12</sup> For example, over the past fourteen days, which include the SVB failure and USDC de-peg, only 3,503,244 of DAI debt was liquidated on Maker Protocol. See <https://dune.com/dsalv/Liquidations>.

auctions to remove undercollateralized debt positions from the protocol effectively restore the overcollateralization levels to the target levels, hence supporting the U.S. dollar peg of DAI.

16. Currently, collateral locked in the Maker Protocol is valued at \$9,535,504,789.39, and it supports \$6,477,676,823.36 of DAI, for the overall overcollateralization ratio of 147.2%.<sup>13</sup>

17. The DAI price history shows that depegs for this stablecoin have been extremely rare events. Starting from the beginning of 2020 and prior to the most recent Silicon Valley Bank-induced depeg, DAI value never fell below \$0.98 based on daily price closes, and was below this threshold only 10 times (0.86% of all price observations) based on the observed intra-day price lows.<sup>14</sup>

18. Moreover, such rare depeg events were very short-lived. For example, even at the depth of crypto panic of March 13, 2020, when Bitcoin crashed to intra-day lows of \$3,948.92, DAI depegged only for a few hours to \$0.9697 – just to recover to \$1.007 by the end of the same day.<sup>15</sup>

19. The most recent depeg of DAI was not caused by its market instability or a protocol design flaw. Rather it was solely driven by the sudden insolvency of Silicon Valley Bank (SVB), the fact that the USDC stablecoin represented a substantial portion of the overall collateral backing DAI and the fact that Circle, as the issuer of USDC, held \$3.3bn of its cash reserves at Silicon Valley Bank.<sup>16</sup>

20. Nevertheless, even such an unrelated dramatic “black swan” event in the US banking system exerted only a transitory negative impact on the DAI soft dollar peg. Specifically,

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<sup>13</sup> See <https://daistats.com/#/overview>.

<sup>14</sup> Source: Cryptocompare DAI data.

<sup>15</sup> *Id.*

<sup>16</sup> According to <https://daistats.com>, 4,026,760,502.89 USDC locked in the Maker Protocol currently represent 62.16% of the overall DAI collateral.

the depeg of DAI started on March 11, 2023 at 12 am UTC, with DAI price falling to \$0.9955, and ended on March 13, 2023 at 2 pm UTC, with DAI price rising back to \$0.996.<sup>17</sup> In other words, the DAI depeg lasted only two and a half days even under such extreme and unexpected circumstances unrelated per se to cryptocurrency markets. DAI is again at parity with the U.S. dollar, with market price at \$0.9991 as of the time of this declaration.

21. The FDIC also stepped in to calm markets. On March 12, 2023, the FDIC announced that it would fully protect all depositors at Silicon Valley Bank, and Signature Bank, a New York bank that was actively involved in the cryptocurrency space. Attached hereto as Exhibit 4 is a true and correct copy of that announcement, available at <https://home.treasury.gov/news/press-releases/jy1337>. The announcements brought calm to the markets, and paired with the actions undertaken by Circle and MakerDAO, helped restore the peg of USDC and DAI. Both stablecoins are again pegged to the U.S. Dollar.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: March 15, 2023

DocuSigned by:  
*Boris Richard, PhD*  
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Boris Richard, PhD

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<sup>17</sup> Cryptocompare.com DAI hourly data.

EXHIBIT 1

**Dr. Boris M. Richard, PhD**

Senior Managing Director, Global Investigations

**Key Expertise**

- Digital assets and cryptocurrency markets
- Blockchain investigations
- NFT and Web3 economics
- Asset valuation
- Loss causation analysis
- Damages analysis
- Market structure and market manipulation
- Investment and trading
- Fixed income securities and derivatives
- Mortgage-backed securities
- Structured cash flows

**Education and/or Military**

Ph.D., Economics, Krannert School of Management, Purdue University, IN, 1996

**Project Geographical Experience**

U.S., Canada, Europe, Singapore, Japan, South Korea, Brazil

**Languages**

English  
Portuguese

**Summary of Experience**

Dr. Boris Richard is the Global Head of Crypto Advisory and Digital Asset Economic Disputes at JS Held. He has nearly 25 years of experience in institutional fixed income and derivatives markets, as well as consulting and expert work in complex litigations, arbitrations, and investigations. Dr. Richard focuses on cryptocurrencies, blockchain economics and token valuation, token offerings, as well as cryptocurrency related expert work, virtual asset tracing investigations, and responses to regulatory inquiries and enforcement actions. His clients include major law firms, cryptocurrency exchanges, digital asset issuers, custodians, Decentralized Finance platforms, blockchain foundations, and institutional investors.

**Speaking Engagements**

Dr. Richard presented at various public forums and chaired multiple discussion panels of digital asset industry executives and attorneys on a variety of cryptocurrency related issues, including regulatory and litigation issues, digital asset compliance, cryptoasset valuations, risk and structure of cryptocurrency markets. He is a repeated presenter at Horasis, Knowledge Group webinars, and CPA Academy Webinars.

**Expert/Testifying Experience**

Dr. Richard has presented written witness testimony in the form of expert reports in cases of alleged securities registration violations by digital token issuers, alleged price and volume manipulation in centralized and decentralized cryptocurrency markets, and damages claims involving a proof-of-stake digital asset.

He also testified at depositions in a lawsuit brought by a U.S. regulator against a digital token issuer, as well as in a cryptoasset damages litigation.

**Professional Affiliations/Memberships/Licenses/Training**

Wall Street Blockchain Alliance

**Role at J.S. Held**

Dr. Richard serves as a testifying and non-testifying expert in blockchain and cryptocurrency related litigations and assists clients in issues related to digital asset investigations, suspected market manipulation, as well as regulatory and enforcement actions. Additionally, he and his team provide advisory services involving cryptoasset valuation, regulatory and business due diligence of crypto native companies, and digital asset industry analysis, including NFTs and Web3 services.

**Contact**

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**Dr. Boris M. Richard, PhD**

Senior Managing Director, Global Investigations



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**Work Experience**

J.S. Held, LLC, Senior Managing Director, 2022 - present  
FTI Consulting, Managing Director (2018 - 2022)  
Cornerstone Research, Senior Economist and Senior Manager (2011-2018)  
Graham Capital Management, Portfolio Manager (2010 – 2011)  
Pine River Capital Management, Portfolio Manager, 2010  
Platinum Grove Asset Management, Portfolio Manager/Strategist (2006-2008)  
HSBC Securities (USA) Inc., Senior Vice President (2003 – 2006)  
Barclays Capital, Director (2002 – 2003)  
Goldman Sachs, Vice President (1998 – 2002)  
Prudential Securities, Inc., Associate Vice President (1996 – 1998)

**Select Litigation and Project Experience**

**Cryptocurrency and Blockchain Litigations, Investigations, Arbitrations, and Advisory Projects**

Submitted an arbitration expert report analyzing and opining on wash trading and other manipulative trading practices in certain stablecoins on a decentralized crypto exchange operating on a major public blockchain. Established common ownership of thousands of blockchain addresses through clustering analysis.

Retained as testifying expert in a lawsuit brought by a regulatory agency against a major token issuer, alleging security registration violations and market manipulation in native cryptocurrency.

Retained as testifying expert in a lawsuit brought by a regulatory agency against a major token issuer, alleging security registration violations, submitted report and deposition.

Provided expert support involving economic analysis and security review of blockchain ecosystem, its code base, examination of available decentralized applications and consensus protocol in litigation brought by a US regulator against major ICO issuer.

Performed expert work to establish economic uses of a digital token and its value sources, to analyze the degree of decentralization of token holdings and the distribution of token purchases among investors in litigation brought by a US regulator against a non-US ICO issuer.

On behalf of a token issuer responding to a regulatory inquiry, performed expert work involving tracing of cryptocurrency investment funds, verification of reported ICO data and public disclosures by the issuer against blockchain address and transaction data, ownership attribution of various Bitcoin wallets and constituent addresses, as well as analysis of token safe smart contract code to explain certain token transfers.

Engaged by a major financial institution to evaluate AML/KYC/Financial Crime Compliance policies and procedures of certain Virtual Asset Service Providers as part of onboarding process.

Provided expert support on behalf of a major token issuer in relation to investors' arbitration claims involving blockchain platform development.

Retained as consulting expert to prepare a market sounding report for a NFT/Web3 business initiative by an alternative investment manager.

Retained as valuation expert by a blockchain start-up company to prepare a valuation report of its cryptoasset holdings for the purposes of corporate rollover.

Retained as testifying damages and valuation expert to evaluate Proof-of-Stake cryptoasset damages in a dispute between blockchain company co-founder and blockchain developer/token issuer.

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Senior Managing Director, Global Investigations



**Insider Trading and Anti-Trust Investigations into Broker-Dealer Trading Practices**

Retained as consulting expert by a major broker-dealer to analyze alleged insider trading activities in Treasury bonds, interest rate swaps, forward rate agreements and OIS.

Retained as consulting expert by a major international bank to analyze and opine on trading communications and related trading activities in government bonds, Supra, Sovereign and Agency (SSA) bonds, interest rate derivatives (interest rate swaps, futures, swaptions and forward rate agreements), FX forwards, swaps and options, and certain equity index derivative instruments.

Retained by a primary dealer to analyze and opine on communications and trading activities related to When-Issued (WI) US Treasuries and Treasury auctions.

Expert work to analyze and opine on communications and specific transactions related to regulatory inquiries with respect to US agency debt syndications.

**Fixed Income Securities and Derivative Instruments Valuation**

Performed expert support work to value REIT preferred stock with embedded options, conduct damages analysis, and rebut opposing expert report.

Provided consulting expert support in municipal ARS preferred cases and VRDO arbitrations.

Retained as consulting expert to analyze performance of trades involving interest rate swaps, Treasuries and LIBOR forward rate agreements.

Retained as consulting expert to assess investment returns of a large portfolio of emerging market bonds as part of a DOJ criminal probe.

**Residential Mortgage-Backed Securities Litigation**

Expert support work in multiple RMBS loss causation matters involving statistical estimation of the impact of various factors on deal and loan performance, rebuttal of the opposing experts' arguments and econometric studies.

Expert support work in multiple RMBS due diligence cases involving a review of underwriters' due diligence processes, as well as loan-level due diligence review of specific acquisition collateral pools.

Engaged in multiple rebuttals of opposing damages calculations; performed affirmative RMBS Section 11, Section 12 and Blue Sky damages calculations.

Expert support work in several cases to rebut opposing expert calculations of damages in connection with alleged breaches of loan representations and warranties, performed affirmative damages calculations.

Performed econometric modeling of deal- and loan-level defaults and RMBS losses; analyzed the default and loss performance of at-issue loan groups and individual RMBS certificates.

Retained as non-testifying expert to conduct valuation analyses with respect to RMBS derivatives backed by reverse mortgage loans.

**CDO/CDS and Credit Derivatives Litigation**

Expert support work to analyze credit exposure in synthetic ABS CDOs backed by subprime mortgage collateral, and to write expert report in response to a regulatory enforcement action against a major CDO issuer.

Engaged in litigation expert analysis related to corporate synthetic bespoke CDO and performance of the CDO collateral manager.

Performed synthetic CDO modeling and analysis of trading activities in CDO tranches and single-name corporate and ABS CDS.

**Dr. Boris M. Richard, PhD**

Senior Managing Director, Global Investigations



Expert support work to analyze CDO collateral acquisition practices and the role of asset-backed CDS indices (ABX) in structuring CDOs, and to perform economic and valuation analysis to assess potential conflicts of interest between CDO arranger and investors.

**Public Engagements**

ABA Financial Crimes Enforcement Conference Podcast, "Current State of the Cryptomarket and Major Risks Facing Cryptocurrencies", November 2018.

Organized and conducted several Webinars and CLE events in partnership with major law firms on blockchain and crypto currency regulatory and enforcement issues.

- FTI Consulting All-Day Litigation Forum, blockchain/cryptocurrency panel together with Baker Hostetler, New York, Yale Club, October 2018.
- Webinar with Akin Gump LLP, "What Should Crypto Funds Expect From the SEC Going Forward?", December 2018.
- Webinar with law firm Bernacchi Chambers, "The Potential Impact of Cryptoassets in the Matrimonial Law World", June 2021.
- CEFPRO's Fraud and Financial Crime USA Virtual Annual Event, "Understanding Risks with Cryptocurrencies", October 2021.

Organized panel on cryptocurrency litigation and regulation at the AICPA Forensic & Valuation Services Conference, Las Vegas, November 2019.

Repeated presenter at the CPA Academy Webinars on issues of blockchain and digital assets.

- Webinar "A Look into the Future of Blockchain Litigation", March 2020.
- CPE Webinar "Current Trends in Digital Asset Litigations and Investigations", August 2020.

Repeated presenter at the Knowledge Group Webinars on issues of blockchain and digital assets.

- Webinar "SEC's Heightened Enforcement on Cryptocurrency: What You Should Know and Do to Avoid Legal Risks", June 2020.
- CLE/CPE Webinar "The Rise of Cryptocurrency: What the Future Holds", February 2021.

The Securities Enforcement Forum West 2020, speaker at the panel "Silicon Valley Spotlight – Regulation, Enforcement and Prosecution Trends", May 2020.

Speaker at the Wall Street Blockchain Alliance Cryptos Investors Summit, November 2020.

Host of several discussion panels

- CalCPA Fraud and Forensic Accounting Virtual Conference, discussion panel "Follow the Money, Virtual and Otherwise: Bitcoin and Cryptocurrency. Investigating Cryptocurrency Trails and Tracing Digital Assets", April 2021.
- Horasis Extraordinary Event on the USA, chaired digital asset industry panel "Creating Trust in Digital Asset Markets", March 2021.
- Horasis Global Meeting, chaired digital asset industry panel "Digital Asset Compliance: Why Can't We All Agree?", June 2021
- Horasis USA Meeting, chaired digital asset industry panel "", March 3, 2022

Presenter at Solidus Labs Webinar, "The Dark Side of Token Design – Challenges of Market Integrity and Market Manipulation in DeFi", July 2022.

URMIA panel discussion, "The Emerging Risk of Cryptocurrency in Higher Education, September 8, 2022.

Presenter at the LA Blockchain Summit 2022 industry panel "What's up with the Markets?", November 1, 2022.

Presenter at the Wall Street Blockchain Alliance webinar "Binance, FTX and the Future of Crypto Exchanges", November 11, 2022.

**Dr. Boris M. Richard, PhD**

Senior Managing Director, Global Investigations



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**Selected Publications**

"What the Howey Test Misses About Crypto Assets", Law360, June 2019.

**Deposition Testimonies**

SEC v. Token Issuer, April 2022.

Blockchain co-founder v. blockchain developer and token issuer, September 2022.

EXHIBIT 2



STATE OF CALIFORNIA

**Department of Financial Protection and Innovation**

GOVERNOR **Gavin Newsom** • COMMISSIONER **Clothilde V. Hewlett**

**For Immediate Release**

March 10, 2023

**Contact:**

**Elizabeth Smith**

elizabeth.smith@dfpi.ca.gov

## **California Financial Regulator Takes Possession of Silicon Valley Bank**

SAN FRANCISCO – The California Department of Financial Protection and Innovation (DFPI) announced today that, pursuant to California Financial Code section 592, it has [taken possession of Silicon Valley Bank](#), citing inadequate liquidity and insolvency. The DFPI appointed the Federal Deposit Insurance Corporation (FDIC) as receiver of Silicon Valley Bank.

Silicon Valley Bank is a state-chartered commercial bank based in Santa Clara and is a member of the Federal Reserve System, with total assets of approximately \$209 billion and total deposits of approximately \$175.4 billion as of Dec. 31, 2022. Its deposits are federally insured by the FDIC subject to applicable limits.

For information about FDIC coverage limits and requirements, visit <http://www.fdic.gov/> or call toll-free 1-877-ASK-FDIC.

### **About DFPI**

The Department of Financial Protection and Innovation protects consumers, regulates financial services, and fosters responsible innovation. DFPI protects consumers by establishing and enforcing financial regulations that promote transparency and accountability. We empower all Californians to access a fair and equitable financial marketplace through education and preventing potential risks, fraud, and abuse. Learn more at [dfpi.ca.gov](http://dfpi.ca.gov).

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EXHIBIT 3

[Home](#) // [News](#) // [Press Releases](#)

## Press Release

# FDIC Creates a Deposit Insurance National Bank of Santa Clara to Protect Insured Depositors of Silicon Valley Bank, Santa Clara, California

Friday, March 10, 2023

## For Immediate Release

Last updated: March 12, 2023

WASHINGTON – Silicon Valley Bank, Santa Clara, California, was closed today by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect insured depositors, the FDIC created the Deposit Insurance National Bank of Santa Clara (DINB). At the time of closing, the FDIC as receiver immediately transferred to the DINB all insured deposits of Silicon Valley Bank.

All insured depositors will have full access to their insured deposits no later than Monday morning, March 13, 2023. The FDIC will pay uninsured depositors an advance dividend within the next week. Uninsured depositors will receive a receivership certificate for the remaining amount of their uninsured funds. As the FDIC sells the assets of Silicon Valley Bank, future dividend payments may be made to uninsured depositors.

Silicon Valley Bank had 17 branches in California and Massachusetts. The main office and all branches of Silicon Valley Bank will reopen on Monday, March 13, 2023. The DINB will maintain Silicon Valley Bank's normal business hours. Banking activities will resume no later than Monday, March 13, including on-line banking and other services. Silicon Valley Bank's official checks will continue to clear. Under the Federal Deposit Insurance Act, the FDIC may create a DINB to ensure that customers have continued access to their insured funds.

As of December 31, 2022, Silicon Valley Bank had approximately \$209.0 billion in total assets and about \$175.4 billion in total deposits. At the time of closing, the amount of deposits in excess of the insurance limits was undetermined. The amount of uninsured deposits will be determined once the FDIC obtains additional information from the bank and customers.



Customers with accounts in excess of \$250,000 should contact the FDIC toll-free at 1-866-799-0959.

The FDIC as receiver will retain all the assets from Silicon Valley Bank for later disposition. Loan customers should continue to make their payments as usual.

Silicon Valley Bank is the first FDIC-insured institution to fail this year. The last FDIC-insured institution to close was Almena State Bank, Almena, Kansas, on October 23, 2020.

FDIC: PR-16-2023

## Additional Resources:

 [Frequently Asked Questions](#)

 [Failed Bank Information for Silicon Valley Bank, Santa Clara, CA](#)

EXHIBIT 4

# U.S. DEPARTMENT OF THE TREASURY

## Joint Statement by the Department of the Treasury, Federal Reserve, and FDIC

March 12, 2023

WASHINGTON, DC -- The following statement was released by Secretary of the Treasury Janet L. Yellen, Federal Reserve Board Chair Jerome H. Powell, and FDIC Chairman Martin J. Gruenberg:

Today we are taking decisive actions to protect the U.S. economy by strengthening public confidence in our banking system. This step will ensure that the U.S. banking system continues to perform its vital roles of protecting deposits and providing access to credit to households and businesses in a manner that promotes strong and sustainable economic growth.

After receiving a recommendation from the boards of the FDIC and the Federal Reserve, and consulting with the President, Secretary Yellen approved actions enabling the FDIC to complete its resolution of Silicon Valley Bank, Santa Clara, California, in a manner that fully protects all depositors. Depositors will have access to all of their money starting Monday, March 13. No losses associated with the resolution of Silicon Valley Bank will be borne by the taxpayer.

We are also announcing a similar systemic risk exception for Signature Bank, New York, New York, which was closed today by its state chartering authority. All depositors of this institution will be made whole. As with the resolution of Silicon Valley Bank, no losses will be borne by the taxpayer.

Shareholders and certain unsecured debtholders will not be protected. Senior management has also been removed. Any losses to the Deposit Insurance Fund to support uninsured depositors will be recovered by a special assessment on banks, as required by law.

Finally, the Federal Reserve Board on Sunday announced it will make available additional funding to eligible depository institutions to help assure banks have the ability to meet the needs of all their depositors.

The U.S. banking system remains resilient and on a solid foundation, in large part due to reforms that were made after the financial crisis that ensured better safeguards for the banking industry. Those reforms combined with today's actions demonstrate our commitment to take the necessary steps to ensure that depositors' savings remain safe.

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